App. F. IX-4

1926

File No. 78-25

Previous References (Geol)

Geol 73-25 (1, 3-7)

~~[illegible]~~

Serial Nos. 8-10

Later References Geol. 133-27 (1-5) preserve.

(2)

General and Revenue Secretariat.

Serial Nos. Three

Part B for Dec 26

SUBJECT

Proposal to extend the Concession re the rate of royalty on low grade manganese ore to all current license holders of prospecting licenses.

Ref 120230 1926

To

Director of Geology

Comptroller to [illegible]

Directs that the reduced rate of royalty on low grade manganese ore be made applicable in certain cases of licenses both Effective from 1.6.26

Amendments

Serial No.	
8	From the offg: Dir of Geol. No. C/621-6 dt 17.5.26. Requests instructions whether the orders of Govt. in the matter of reduction of rates of royalty on low grade manganese ore may be made applicable to all licenses & leases already granted & now current & suggests that ~~the~~ they ~~people~~ may be given effect to from 1.6.26.
Q	1) On the representation made by the Sapurji Tunted Steel Co., Ltd., the order reducing the rates of royalty on low grade manganese ore was passed & it seems to be a general one 2) The Dir now requests orders as to :- i) Whether it can be made applicable to all licenses & ~~leases~~ lease granted prior to the present G.O. & now current, & ii) giving effect to the G.O. from 1.6.26 as the order was passed ~~in the latter portion~~ about the end March 26 26/5/26 3) Strictly speaking it would appear that rate of royalty in the case of licenses leases issued prior to the notification reducing the

Serial No.

of royalty - should be according to the old scale -

4) But, as the difficulties of finding a market for the low grade ore, are common to the case of licenses & leases now current, it seems equitable that the benefits of the reduced rate of royalty should be given to all cases, without exception -

5) Regarding the other point, the notification may be given effect to, not from the date of its publication (viz., 23rd March 1926), but from the first of April as suggested by the Dir[r]

R Sec[y])

WP 31/3

6) I do not think it is necessary to reduce the royalty in the case of ~~licenses~~ & ~~leases~~ licenses and leases issued prior to the date of the Govt notification ie 23.3.26. In Para 4 of Director's letter dated 20th march 1926 (Flag A) she says that many of the mining blocks lie within easier reach of the Railway & centre with the ~~ore~~ block ~~adjacent to the~~ belonging to the United Steel Company ~~and the difficulties~~ She suggested a sliding scale of royalties in order to reduce the disproportionate difference of royalty on the two grades and Govt decided in the express terms that the lower rate of royalty (be) and not matter as they will be receiving 25 P.c of the Profits (vide letter 6762R 31.3.26) This obviously that the reduction was intended to apply to only those cases where Govt get a share of 25 P.c on profits ie only licenses leases issued subsequent to 23rd march 1926.

7) There will be no objection to date the concession effect from 1st april instead of 23rd march

CRR 2.6.26

WP 3/6

2nd member)

NOTE—Contd. Sheet 526 3-6

WD 01264—GPB—40,000—17-12-25
App. F. III—2]

General and Revenue Secretariat

Geol File No. 73 of 1925-6

Serial No.

8) The Rev Secy will please discuss this case with me The order of 23.3.26 is not free from ambiguity The correspondence and discussions that resulted in this order Make it clear that the reduction in the rate of royalty from as 12 to as 6 was intended to give relief to the industry

9) The order itself Makes the following statements bearing on this point

1 it is difficult for Mining companies to work them with a reasonable Margin of profit at the present rate"

2 "the royalty on low grade Manganese may be reduced to as 6 per ton as requested by the U.S. company, in order to encourage the Several licensees and lessees to Continue their Mining Work"

10) The reduction is only also for a period of two years

I want to know if paying a share of profits is one of the Conditions of all the licenses and leases in force on 23.3.26 If not Which are the licenses & leases of which this right is a Condition

11) The Director pointed out that the lowering of the rate without the other Conditions recommended by him would largely reduce royalty revenue But by the time this was pointed out the order had issued and no reversion it was considered necessary - Taking the Case of the U.S. Company itself if it pays a share of profits on its

NOTE—Contn. Sheet

6014

General and Revenue Secretariat.

Revl File No. 73 of 19 25-26

Serial No

its licenses and leases? If not, the order according to the interpretation now proposed to be placed on it would give it no benefit. I am not sure of the way the intention the available information on these points may be noted

Mull
9/6/26

CPO
10.6.26

WP
10/6

Para 10 of notes:-

12) Payment of a share of net-profits is one of the conditions of all licenses (except the United Steel Company) in force

Para 11 of Notes:-

13) The United Steel Company, &c. does not pay a share of profits.

14) A statement of licenses granted under Profit sharing basis to obtained from the Revl office is put up.

WP
14/6/26.

15/ Rev Sec'y

WP
15/6/26

WD 01264—GPB—40,000 -17-12-25

579/26

Q

Serial No

16/ The Government Order dated 23rd March 1926 which reduced the rate of royalty on low grade ~~manag~~ manganese ore from 12 annas to 6 annas per ton left some important points uncertain. The points are the following:-

(1) Does the benefit of reduction apply to prospecting licenses in force on the date of the order or even to mining leases existing on the date of the order, or only to prospecting licenses issued after the date of the order ? The Director's recommendation for reduction of royalty was subject to certain conditions to be enforced regarding minimum out-put annually and payment a part of royalty in advance. Whether these conditions were accepted or not, cannot be made out from discussions and decision recorded in the file.

(2) Under the present rules which regulat prospecting licenses, the licensees have not on to pay royalty but also 25 per cent. of profits made by them. No reference is made in the orde of 23rd March 1926 to the payment of a share of profits in addition to the reduced royalty of 6 annas per ton; but in letter dated 31st Marc 1926 which apparently interpreted the Order of 23-3-192 it is stated that the benefit of reductio of royalty would apply only to cases in which a share of profits is payable The United Steel Company has been promised, as a general concession on account of its being the pioneer in enterprise, that nothing more than royalty

ontn. Sheet

Serial No

will be claimed for the manganese ore won by them it within the area over which it has been given preferential rights. The order of 23rd March 192 was passed on the representation of the United Steel Company and yet this order and the letter dated 31st March 1926 which interpreted it do not say how the case of this Company should be dealt with for the purpose of reduction of royalty

17) Altogether, the present position in regard to the royalty to be levied on chrome is uncertai and accordingly, the Director has sought instructions in his letter dated 17th May 1926.

18) The Government Order dated 23rd March 1926 may be modified on the following lines:-

(1) Reduction from 12 annas to 6 annas fo low grade ore has been sanctioned and announced. It is not, therefore, possible to withdraw this concession. It may, however, be limited for a period of two years from 1st April 1926 only to holders of prospecting licenses who have to pay 2 25 per cent. of their profits in addition to royalty.

(2) In the case of the United Steel Company, however, the benefit of the reduction may be allowed to it without enforcing the condition of payment of a share of profits, having regard to the general concession promised in Government Order dated 3rd February 1925, but this benefit may be limited only to the prospecting licenses held by the Company.

WD 01264—GPB—40,000 -17-12-25

General and Revenue Secretariat | Geol. File No. 73 of 1925

Serial No

(3) The United Steel Company holds two mining leases for a period of 30 years. It is not reason-able that any reduction of royalty should be allowed for ore won under these leases. If any reduction is permitted, there will be a substantial decline in the revenue from royalty of ~~Chrome~~ Manganese ore removed by the Company — about Rs 8000 every year. The reduction of the rate of royalty should I think, be considered as having been allowed with a view to develop further mining operations. As regards mining leases already in force, their conditions have to be enforced strictly; if the ~~price~~ price of ore goes up, the Company will not agree to give us any better rate of royalty and there can, therefore, be no case for reducing royalty if the price goes down.

DEWAN'S OFFICE.
Received on
29. JUL. 1926
Reg. No. 671.

Dewan)

Munle
28/7/26
GRS 28.7.26

WDP 28/7

19) I quite agree with the Member.

JM
31.7.26

20) Submitted for perusal of Dewan's orders

2nd member)

GRS 31.7.26

WDP 2/8

OFFICE OF THE SECOND MEMBER OF COUNCIL
2 AUG. 1926
No. 821

Munle
3.8.26

21) draft

GRS 3.8.26

22) Please retype as revised

GRS 11.8.26

WDP 3/8

WD 01264—GPB—40,000—17-12-25

General and Revenue Secretariat

Geol File No. 73 of 1925.

Serial No.

22) Called minute & draft.

Immediate.

See Note WP 5/8/26

23) Please see remarks on ofts and bring up now. WP 5/8/26

MR 5/8/26

24) Two ofts subd for advce.

R Sec'y) WP 7/8/26

(For Sec'y's orders please see previous page Para 25).

25) Revised typed ofts (2) subd for appl.

R Sec'y) WP 12/8/26

26) Submitted for approval

Secy Govt 12/8/26

Secy) WP 13/8

27) Appd. In the case of P.L.'s to the United Steel Co the Concessions Can be allowed in areas around Asansol. Please refer to the order relating to the Concessions and fill up blanks in this respect in the draft G.O. and notification.

MR 13.8.26

28) Noted carefully Govt 14/8

WP 14/8/26

29) For perusal before issue.

R Sec'y) WP 16/8/26

30) Seen Govt 17.8.26

31) Issue WP 17/8

9) To, Branch Secy & Comptr. No. 1203 G. 19/8/26

Extends the Concession to all current holders of P. Licenses to the United Steel Co.

10) To, Comptroller Mines. Etc. for information and necessary action.

NOTE—Contn. Sheet

OFFICE OF THE SECOND MEMBER OF COUNCIL
13 AUG. 1926
No. 1191

* G.O. 210. 12-92-1340 & 4 12/1906 Geol

General and Revenue Secretariat | Ref File No. 73 of 192 S

Serial No

I

32) Kind attention is invited to Govt proofs no S.C.1202-3/Genl.73-25-3 dt 19/8/26 typed copies of which have been sent to the Dir & Comptr

P

33) Since the G.O. read in the preamble has been got printed it is for orders whether the revised G.O is also to be got printed, published in the Gazette & placed at the disposal of the Press the notifn has appeared in the Gaz. dt 26.8.26.

30/8/26 The G.O. may be got printed. It does not seem necessary to place it at the disposal of the Press. The notifn has appeared in the Gazette.

R Secy) 30/8

34) Yes may be printed

I have already seen a reference to the G.O. in the Daily Post-

Yes 31/8

Secy

846

F.D. 546

6014 (10)

G.R.S. III—3]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

File (Estt.-73-25) called for from the Finl. Br. in part i/s

Para 47 of P.C.'s Committee

20 31.8.26

(Fl. Br)

Sd. V.N. 31/8/26

Sent with the file. It is not known why the Comm. of Income Tax wants this file. It is not usual to send such files to outside officers

NV 31/8 VK 31/8/26

B. 2/9

(Revds)

To ascertain what is the information required

EPS 29.26

Copy put up. 20 3/9/26 Issue

WS 9/9

Issued

No. 1102 4.15/9/26

J.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

RECEIVED SECRETARIAT 16 SEP 1926 INDUSTRIES & COMMERCE BRANCH.

6 & 14-75.

H. D. 846
26.27

G.R.S. III—3]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

Sub-d

No reply has been received from the Consul of Denmark on the point raised in this office No. D.C. 1702 of 15-9-26 & there seems to be no necessity - in view of a reminder of 25/11/26. the whole correspondence on the subject will be recorded.

may perhaps be recorded

R

GEN. & REV. SECRETARIAT,
6 DEC. 1926
DEVELOPMENT BRANCH.

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

10395

I.T. 68]

In reply refer to
No. C. 177
Encl. 26-27

OFFICE OF THE COMMISSIONER OF INCOME-TAX IN MYSORE,

Bangalore.....20th August... 192 6

FINANCIAL SECRETARIAT
25 AUG. 1926

DIARY NO. 844

19 — 19
Section.
File No.
Serial No.

GEN. & REV. SECTT.
PR. 24
24. AUG. 1926

FROM

Md. Zahiruddin Mecci, Esq., B.A.,
COMMISSIONER OF INCOME-TAX IN MYSORE.

To

C. Ranganatha Rao Sahib, Esq., B.A., B.L.,
Secretary to the Government of Mysore,
Revenue Department, Bangalore.

Sir,

I have the honour to request you to kindly obtain the file of correspondence relating to the reduction of Royalty from Annas 12 to Annas 6 on the manganese ore from the respective branch of the Secretariat and forward the same for my reference in connection with the question of the valuation of the ores.

I have the honour to be,
Sir,
Your most obedient servant,

Commissioner of Income Tax.

1) Sirkd. It is not clear how the file in question would be useful to the valuation you has to be made under the rules now in force.
2) This file is in the D to Branch (Geo Section) & this receipt may be transferred thither.
3) The file may be obtained & this receipt may be transferred thither.

Please get from the Records Section Genl.

for perusal

APP. F. VI. Gl.]

2

SUBJECT.....

.....

.....

Section H.

File No. —

Serial No. —

Diary No. of letter replied to H. 846

No. C. 1702 & 15/26

To

The Collector of Income-tax

in ingore

General and Revenue Secretariat

( )

the *192*

Date of issue 25.5.26

Sir

Signed by [signature]

With reference to your letter no C/177 of 26-27 dt 20.8.25 requesting to be supplied with the Secretariat file of Correspondence relating to the reduction of rice allowance or low grade rice from 0-12-0 to 0-6-0 as per Govt I am directed to request you to state enquire as to the particular points on which information is required

List of enclosures.....

Copied by.....

Examined by.....

over

Head Clerk to Govt Revenue Department

W 01265—GPB—31,000—24-12-25

48569

3 Geol. 73-25-8

No. C. 621-6 Dated Bangalore, 17th May 1926.

INDUSTR... I

6014

From

A. M. Sen, Esquire, M.Sc., F.G.S., &c.,
Offg. Director,
Mysore Geological Department.

To

B. Srinivasa Iyengar, Esquire, B.A., B.L.,
Secretary to the Government of His Highness
the Maharaja of Mysore,
Revenue Department.

GEN. BR. Geol. 17 MAY 1926 SECTION.

Cag Q

Adverting to G.O.No.I.C.6545 Geol.73-25-4, dated 23rd March 1926, directing a reduction of royalty on ~~low~~ low grade manganese ore from twelve annas to six annas a ton for a period of two years, I have the honour to solicit the orders of Government as to whether the reduction may be made applicable to all licenses and leases already granted and now current, and from which dat it should be enforced.

The order is dated 23rd March and it would be convenient for purposes of calculation to give effect to it from 1st April 1926, as royalty is payable on quantities of the ore removed every quarter.

I have the honour to be,
Sir,
Your most obedient servant,

A. M. Sen

Offg. Director,
Mysore Geological Department.

C.N.

Statement of licenses granted for Manganese and Chrome under Profit sharing basis.

5

Sl. No.	No. of license.	Name of Licensee.	Particulars of block.	Mineral.	Date from which current.	Remarks.
1	✓ 632	C.W.Schomburg	1 sq,mile, Mysore Tk.	Chrome.	11- 4-24	Renewed under No. 642 & again under No 669 Current
2	✓ 633	Do.	4 " "	Do.	Do.	Do —— 643 —— 670 Do
3.	✓ 637	J. Burr.	1 sq,mile Arsikere Tk.	Do.	25-11-24	Terminated & cancelled
4.	✓ 638	Do.	4 " "	Do.	Do.	Do
5.	✓ 639	P.Adavappa.	4 sq.miles, Tarikere Tk.	Do.	1- 1-25	Renewed under No 661 Do
6.	✓ 641	B.Sripada Rao	4 sq.miles. Tarikere & Holalkere Tks.	Do.	24- 3-25	Terminated
7.	✓ 644	Singri Nanjappa	1 sq.mile, Chik-naikanhalli & Tiptur Tks.	Manganese	24- 2-25	Do
8.	✓ 646	P.Adavappa	4 sq. miles Tarikere Tk.	Chrome.	18- 8-25	ttt Do
9.	✓ 647	Khani Begum	2 sq. miles Mysore Tk.	Do.	9- 5-25	Terminated & cancelled. * mine-area has since been added for extension of mines.
10.	✓ 659	C.M. Tresslor.	1 sq. mile Holalkere Tk.	Manganese.	23- 2-25	Renewed under No 664 Current
11.	✓ 667	Do.	4 " Do.	Do.	Do.	Do —— 668 and transferred to A.H. Burrell. Do

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5 20/3 M.9

Proceedings of ~~the~~ Government of His Highne the Maharaja of Mysore.

- - - - -

R e a d --

Government Order No.I.C.6545/Geol.73-25-4 dated 23rd March 1926 passing orders regarding the reduction in the rate of royalty on low - grade manganese ore of 44% and below from 12 annas to 6 annas per ton temporarily for a period of two years.

Geol. 73-25 M.9.

2. Letter No.C.621-6/ dated 17th May 1926 from the Offg. Director of Geology, soliciting - the orders of Government as to whether the reduction ordered above is to be made applicable to all licenses and leases already granted and now current, and suggesting, on grounds of convenience in calculating the amounts due under royalty, that the order may be given effect to, from the 1st - April 1926 instead of from the 23rd March 1926, ~~x~~ the date of the above Government Order.

Date 19/8/26

Signed Gorn Mark

--:O:--

O r d e r No. I.C. 1282-3 19th Aug 26

Dated, Bangalore

~~On a careful consideration of the points - raised by the Director, the Government observe - that~~ The royalty on low grade manganese ore was reduced in Government Order dated 23rd March 1926 with a view to ~~develop~~ encourage the development further mining operations, ~~that~~ accordingly the concession of the reduced rates can strictly apply only to prospecting licenses issued after the date of - the notification. They are, however, pleased to extend the concession to all holders of current prospecting licenses who have agreed to pay not less than 25% of ~~their~~ net profits in addition to royalty. ~~They are further pleased to direct that~~ the concession ~~shall~~ will also apply to ~~all~~ the prospecting licenses issued in favour of the - Mines

United Steel Co. although this Company does not pay ~~any~~ profits, ~~in view of the fact, that they are pioneers of the manganese industry in the State.~~ got any share out of their and which relate to areas within a radius of 3 miles round Anjanur

2. The reduced rates of royalty do not apply to other prospecting licenses or mining leases granted prior to the date of the notification.

3. ~~The~~ Government accept the suggestion of the Director that the reduced rates may be brought into effect from the 1st April 1926, instead of, from the 23rd March 1926, the date of the original Government Order.

4. The revised notification in this respect will issue separately.

Secretary to Government,
Revenue Department.

To

The Director of Geology in Mysore, with a request that the United Steel Company may be informed accordingly.
The Comptroller to Government.

B.R.S.

Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE DEPARTMENTS.

G. O. No. I. C. 1202-3—Geol. 73-25-3, dated 19th August 1926.

Royalty on Low Grade Manganese.

Directs that the reduced rate of —— be made applicable in certain classes of licenses with effect from 1st April 1926.

READ—

Government Order No. I. C. 6545—Geol. 73-25-4, dated 23rd March 1926, passing orders regarding the reduction in the rate of royalty on low grade manganese ore of 44 per cent and below from 12 annas to 6 annas per ton temporarily, for a period of two years.

2. Letter No. C. 621-6, dated 17th May 1926, from the Officiating Director of Geology, soliciting the orders of Government as to whether the reduction ordered above is to be made applicable to all licenses and leases already granted and now current, and suggesting, on grounds of convenience in calculating the amounts due under royalty, that the order may be given effect to, from the 1st April 1926 instead of from the 23rd March 1926, the date of the above Government Order.

ORDER No. I. C. 1202-3—GEOL. 73-25-3. DATED 19TH AUGUST 1926.

The royalty on low grade manganese ore was reduced in Government Order dated 23rd March 1926 with a view to encourage the development of further mining operations, and accordingly the concession of the reduced rate can strictly apply only to prospecting licenses issued after the date of the notification. They are, however, pleased to extend the concession to all holders of current prospecting licenses who have agreed to pay not less than 25 per cent of net profits in addition to royalty. The concession will also apply to the prospecting licenses which are issued in favour of the United Steel Co., and which relate to areas within a radius of 13 miles round Aiyanur, although this Company does not pay to Government any share out of their profits.

2. The reduced rate of royalty does not apply to other prospecting licenses or mining leases granted prior to the date of the notification.

3. Government accept the suggestion of the Director that the reduced rate may be brought into effect from the 1st April 1926, instead of, from the 23rd March 1926, the date of the original Government Order.

4. The revised notification in this respect will issue separately.

C. RANGANATHA RAO SAHIB,
Secretary to Government,
Revenue Department.

To—The Director of Geology in Mysore, with a request that the United Steel Co., may be informed accordingly.
The Comptroller to Government.

Exd.—P.S.R.N.

W D 522—GPB—590—13-9-26

I.C. 1204 20/8

8

NOTIFICATION.

Geol. 73-25-10

In continuation of ~~Government~~ Notification No. I.C.6547/Geol.73-25-5 dated 23rd March 1926, Government are pleased to direct that the reduced rates of royalty on low grade manganese ore of 44% and below sanctioned in the said order shall apply only to prospecting licenses issued after the date of the notification, provided, however, that, in the case of ~~holders of~~ the holders of prospecting licenses who have agreed to pay not less than 25% of their net profits in addition to royalty, the concession shall apply to all such prospecting licenses whether issued prior or subsequent to the date of the notification.

Dated 15/8/26

Signed Mir N. Nair

The Government are further pleased to direct that the reduced rates in question shall be current for a period of two years from the 1st April instead of, from the 23rd March 1926, the date of the first notification.

By Order,

12/8/26. Revenue Secretary.

To

The Compiler, Mysore Gazette.

13/8/26

(69)

REVENUE SECRETARIAT.

No I C. 1204—*Geol.* 73-25-10, *dated* 19*th August* 1926.

In continuation of Notification No. I. C. 6547—Geol. 73-25-5, dated 23rd March 1926, Government are pleased to direct that the reduced rate of royalty on low grade manganese ore of 44 per cent and below sanctioned in the said order, shall apply only to prospecting licenses issued after the date of the notification, provided, however, that in the case of prospecting licenses the holders of which have agreed to pay not less than 25 per cent of their net profits in addition to royalty, the concession shall apply to all such licenses issued whether prior or subsequent to the date of the notification.

Government are further pleased to direct that the reduced rates of royalty shall apply to all prospecting licenses issued to the United Steel Company in areas within a radius of 13 miles round Aiyanur, although the Company do not pay any part of their net profits.

The reduced rate in question shall be current for a period of two years from the 1st April 1926 instead of from the 23rd March 1926, the date of the first notification.

By Order,
C. RANGANATHA RAO SAHIB,
Secretary to Government,
Revenue Department.

N B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

Government of His Highness the Maharaja of Mysore

General and Revenue Secretariat,

Dated, Bangalore, 19th August 1926.

No.I.C. 1204 Genl.-73-25-10

N O T I F I C A T I O N.

In continuation of Notification No.I.C.6547/Genl.73-25-5 dated 23rd March 1926, Government are pleased to direct that the reduced rate of royalty on low grade manganese ore of 44% and below sanctioned in the said order, shall apply only to prospecting licenses issued after the date of the notification, provided, however, that in the case of prospecting licensesthe holders of which have agreed to pay not less than 25% of their net profits in addition to royalty, the concession shall apply to all such licenses issued whether prior or subsequent to the date of the notification.

Government are further pleased to direct that the reduced rates of royalty shall apply to all prospecting licences issued to the United Steel Co., in areas within a radius of 13 miles round Aiyanur, although the Company do not pay any part of their net profits.

The reduced rate in question shall be current for a period of two years from the 1st April 1926 instead of from the 23rd March 1926, the date of the first notification.

By Order,

for Secretary to Government,
Revenue Department.

To

The Compiler Mysore Gazette.

BRS/S